

109TH CONGRESS
2D SESSION

S. 3919

To assist small business concerns in complying with the Sarbanes-Oxley
Act of 2002.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 2006

Mr. KERRY introduced the following bill; which was read twice and referred
to the Committee on Small Business and Entrepreneurship

A BILL

To assist small business concerns in complying with the
Sarbanes-Oxley Act of 2002.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Sar-
5 banes-Oxley Compliance Assistance Act of 2006”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

8 (1) the terms “Administration” and “Adminis-
9 trator” mean the Small Business Administration
10 and the Administrator thereof, respectively;

1 (2) the term “Commission” means the Securi-
2 ties and Exchange Commission;

3 (3) the terms “issuer” and “securities” have
4 the same meanings as in section 3 of the Securities
5 Exchange Act of 1934 (15 U.S.C. 78c);

6 (4) the term “qualified small public company”
7 means a small business concern that has either reg-
8 istered or applied for registration under either the
9 Securities Act of 1933 (15 U.S.C. 77a et seq.) or
10 the Securities Exchange Act of 1934 (15 U.S.C. 78a
11 et seq.) and is considered a non-accelerated filer
12 under rule 12b–2 of the Commission;

13 (5) the term “small business concern” has the
14 same meaning as in section 3 of the Small Business
15 Act (15 U.S.C. 632); and

16 (6) the term “task force” means the task force
17 established under section 4(a).

18 **SEC. 3. GRANTS.**

19 (a) IN GENERAL.—The Administrator may make
20 grants to qualified small public companies and small busi-
21 ness concerns for the costs of compliance with the Sar-
22 banes-Oxley Act of 2002 (Public Law 107–204; 116 Stat.
23 745), subject to such rules as the Administrator may es-
24 tablish.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Administration
3 to carry out this section \$5,000,000 for each of fiscal
4 years 2007 through 2011.

5 **SEC. 4. TASK FORCE.**

6 (a) IN GENERAL.—Not later than 6 months after the
7 date of enactment of this Act, the Chief Counsel for Advo-
8 cacy of the Administration shall establish a task force re-
9 garding compliance with the Sarbanes-Oxley Act of 2002
10 (Public Law 107–204; 116 Stat. 745) by small public
11 companies.

12 (b) MEMBERS.—The task force shall include officials
13 from the Commission and appropriate bank regulatory
14 agencies.

15 (c) REPORT.—

16 (1) IN GENERAL.—Not later than 6 months
17 after the date of enactment of this Act, and every
18 2 years thereafter, the task force shall submit to
19 Congress a report regarding how to assist small pub-
20 lic companies in complying with the Sarbanes-Oxley
21 Act of 2002.

22 (2) CONSIDERATION OF RULES.—In preparing
23 a report under paragraph (1), the task force shall
24 take into account any rules issued by the Commis-

1 sion providing additional guidance for small business
2 concerns regarding financial reporting.

3 (3) CONTENTS.—Each report submitted under
4 paragraph (1) shall—

5 (A) evaluate upgrades or technological al-
6 ternatives to the Electronic Data Gathering
7 Analysis Retrieval System of the Commission
8 for small public companies, so that such compa-
9 nies may submit required filings to the Com-
10 mission without the need for third party inter-
11 vention;

12 (B) describe ways of reducing inefficiencies
13 relating to filings by small public companies
14 with the Commission and other Federal agen-
15 cies; and

16 (C) evaluate—

17 (i) the feasibility of synchronizing fil-
18 ing requirements for small public compa-
19 nies involving substantially similar infor-
20 mation, including financial statements;

21 (ii) whether the Commission and ap-
22 propriate bank regulatory agencies should
23 commit additional resources and profes-
24 sional staff to assist small public compa-
25 nies;

1 (iii) whether the Commission should
2 publish guidance on reporting and legal re-
3 quirements aimed at assisting smaller com-
4 panies; and

5 (iv) the feasibility of extending incor-
6 poration by reference privileges to other
7 Government filings containing substantially
8 equivalent information.

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